

C O M M E R C E.

COMMERCE is an operation, by which the wealth, or work, either of individuals, or of societies, may be exchanged, by a set of men called merchants, for an equivalent, proper for supplying every want, without any interruption to industry, or any check upon consumption.

We shall begin by tracing commerce to its source, in order to reduce it to its first principles.

The most simple of all trade, is that which is carried on by bartering the necessary articles of subsistence. If we suppose the earth free to the first possessor, this person who cultivates it will first draw from it his food, and the surplus will be the object of barter: he will give this in exchange to any one who will supply his other wants. This naturally supposes both a surplus quantity of food produced by labour, and also free hands; for he who makes a trade of agriculture cannot supply himself with all other necessaries, as well as food; and he who makes a trade of supplying the farmers with such necessaries, in exchange for his surplus of food, cannot be employed in producing that food. The more the necessities of man increase, the more free hands are required to supply them; and the more free hands are required, the more surplus food must be produced by additional labour, to supply their demand.

This is the least complex kind of trade, and may be carried on to a greater or less extent, in different countries, according to the different degrees of the wants to be supplied. In a country where there is no money, nor any thing equivalent to it, the wants of mankind will be confined to few objects; to wit, the removing the inconveniencies of hunger, thirst, cold, heat, danger, and the like. A free man, who, by his industry, can procure all the comforts of a simple life, will enjoy his rest, and work no more: and, in general, all increase of work will cease, so soon as the demand for the purposes mentioned comes to be satisfied. There is a plain reason for this. When the free hands have procured, by their labour, wherewithal to supply their wants, their ambition is satisfied: so soon as the husbandmen have produced the necessary surplus for relieving theirs, they work no more. Here then is a natural stop put to industry, consequently to bartering.

The next thing to be examined is, how bartering grows into trade, properly so called and understood, according to the definition given of it above; how trade comes to be extended among men; how manufactures, more ornamental than useful, come to be established; and how men come to submit to labour, in order to acquire what is not absolutely necessary for them.

This, in a free society, is chiefly owing to the introduction of money, and a taste for superfluities in those who possess it.

In ancient times, money was not wanting; but the

taste for superfluities not being in proportion to it, the specie was locked up. This was the case in Europe four hundred years ago. A new taste for superfluity has drawn, perhaps, more money into circulation, from our own treasures, than from the mines of the new world. The poor opinion we entertain of the riches of our forefathers, is founded upon the modern way of estimating wealth, by the quantity of coin in circulation, from which we conclude, that the greatest part of the specie now in our hands must have come from America.

It is more, therefore, through the taste of superfluity, than in consequence of the quantity of coin, that trade comes to be established; and it is only in consequence of trade that we see industry carry things in our days to so high a pitch of refinement and delicacy. Let us illustrate this, by comparing together the different operations of barter, sale, and commerce.

When reciprocal wants are supplied by barter, there is not the smallest occasion for money: this is the most simple of all combinations.

When wants are multiplied, bartering becomes more difficult; upon this money is introduced. This is the common price of all things: it is a proper equivalent in the hands of those who want, perfectly calculated to supply the occasions of those who, by industry, can relieve them. This operation of buying and selling is a little more complex than the former; but still we have here no idea of trade, because we have not introduced the merchant, by whose industry it is carried on.

Let this third person be brought into play, and the whole operation becomes clear. What before we called wants, is here represented by the consumer; what we called industry, by the manufacturer; what we called money, by the merchant. The merchant here represents the money, by substituting credit in its place; and as the money was invented to facilitate barter, so the merchant, with his credit, is a new refinement upon the use of money. This renders it still more effectual in performing the operations of buying and selling. This operation is trade: it relieves both parties of the whole trouble of transportation, and adjusting wants to wants, or wants to money; the merchant represents by turns both the consumer, the manufacturer, and the money. To the consumer he appears as the whole body of manufacturers; to the manufacturers as the whole body of consumers; and to the one and the other class his credit supplies the use of money. This is sufficient at present for an illustration. We now return to the simple operations of money in the hands of the two contracting parties, the buyer and the seller, in order to show how men come to submit to labour in order to acquire superfluities.

So soon as money is introduced into a country, it becomes an universal object of want to all the inhabitants.

The consequence is, that the free hands of the state, whom

who before stopt working, because all their wants were provided for, having this new object of ambition before their eyes, endeavour, by refinements upon their labour, to remove the smaller inconveniences which result from a simplicity of manners. People, who formerly knew but one sort of clothing for all seasons, willingly part with a little money to procure for themselves different sorts of apparel properly adapted to summer and winter, which the ingenuity of manufacturers, and their desire of getting money, may have suggested to their invention.

Indeed these refinements seem more generally owing to the industry and invention of the manufacturers, (who by their ingenuity daily contrive means of softening or relieving inconveniences, which mankind seldom perceive to be such, till the way of removing them is contrived), than to the taste of luxury in the rich, who, to indulge their ease, engage the poor to become industrious.

Let any man make an experiment of this nature upon himself, by entering into the first shop. He will no where so quickly discover his wants as there. Every thing he sees appears either necessary, or at least highly convenient; and he begins to wonder how he could have been so long without that which the ingenuity of the workman alone had invented, in order that from the novelty it might excite his desire; for perhaps when it is bought, he will never once think of it more, nor ever apply it to the use for which it at first appeared so necessary.

Here then is a reason why mankind labour though not in want. They become desirous of possessing the very instruments of luxury, which their avarice or ambition prompted them to invent for the use of others.

What has been said represents trade in its infancy, or rather the materials with which that great fabric is built.

We have formed an idea of the wants of mankind multiplied even to luxury, and abundantly supplied by the employment of all the free hands set apart for that purpose. But if we suppose the workman himself disposing of his work, and purchasing with it food from the farmer, cloaths from the clothier; and, in general, seeking for the supply of every want from the hands of the person directly employed for the purpose of relieving it; this will not convey an idea of trade, according to our definition.

Trade and commerce are an abbreviation of this long process; a scheme invented and set on foot by merchants, from a principle of gain, supported and extended among men, from a principle of general utility to every individual, rich or poor, to every society, great or small.

Instead of a pin-maker exchanging his pins with fifty different persons, for whose labour he has occasion, he sells all to the merchant for money or for credit; and, as occasion offers, he purchases all his wants, either directly from those who supply them, or from other merchants who deal with manufacturers in the same way his merchant dealt with him.

Another advantage of trade is, that industrious people in one part of the country, may supply customers in another, though distant. They may establish themselves in the most commodious places for their respective busi-

ness, and help one another reciprocally, without making the distant parts of the country suffer for want of their labour. They are likewise exposed to no avocation from their work, by seeking for customers.

Trade produces many excellent advantages; it marks out to the manufacturers when their branch is under or over stocked with hands. If it is understocked, they will find more demand than they can answer: if it is overstocked, the sale will be slow.

Intelligent men, in every profession, will easily discover when these appearances are accidental, and when they proceed from the real principles of trade.

Posts, and correspondence by letters, are a consequence of trade; by the means of which merchants are regularly informed of every augmentation or diminution of industry in every branch, in every part of the country. From this knowledge they regulate the prices they offer; and as they are many, they serve as a check upon one another, from the principles of competition.

From the current prices the manufacturers are as well informed as if they kept the correspondence themselves: the statesman feels perfectly where hands are wanting, and young people destined to industry, obey, in a manner, the call of the public, and fall naturally in to supply the demand.

Two great assistances to merchants, especially in the infancy of trade, are public markets for collecting the work of small dealers, and large undertakings in the manufacturing way by private hands. By these means the merchants come at the knowledge of the quantity of work in the market, as on the other hand the manufacturers learn, by the sale of the goods, the extent of the demand for them. These two things being justly known, the price of goods is easily fixed.

Public sales serve to correct the small inconveniences which proceed from the operations of trade. A set of manufacturers got all together into one town, and entirely taken up with their industry, are thereby as well informed of the rate of the market as if every one of them carried thither his work, and upon the arrival of the merchant, who readily takes it off their hands, he has not the least advantage over them from his knowledge of the state of demand. This man both buys and sells in what is called wholesale; and from him retailers purchase, who distribute the goods to every consumer throughout the country. These last buy from wholesale merchants in every branch, that proportion of every kind of merchandise which is suitable to the demand of their borough, city, or province.

Thus all inconveniences are prevented, at some additional cost to the consumer, who must naturally reimburse the whole expence. The distance of the manufacturer, the obscurity of his dwelling, the caprice in selling his work, are quite removed; the retailer has all in his shop, and the public buys at a current price.

How the Prices of Goods are determined by Trade.

In the price of goods, two things must be considered as really existing, and quite different from one another;

to wit, the real value of the commodity, and the profit upon alienation.

I. The first thing to be known of any manufacture, when it comes to be sold, is, how much of it a person can perform in a day, a week, a month, according to the nature of the work, which may require more or less time to bring it to perfection. In making such estimates, regard is to be had only to what, upon an average, a workman of the country in general may perform, without supposing him the best or the worst in his profession, or having any peculiar advantage or disadvantage as to the place where he works.

Hence the reason why some people thrive by their industry, and others not; why some manufactures flourish in one place, and not in another.

II. The second thing to be known, is the value of the workman's subsistence, and necessary expence, both for supplying his personal wants, and providing the instruments belonging to his profession, which must be taken upon an average as above; except when the nature of the work requires the presence of the workman in the place of consumption: for although some trades, and almost every manufacture, may be carried on in places at a distance, and therefore may fall under one general regulation as to prices; yet others there are which, by their nature, require the presence of the workman in the place of consumption; and in that case the prices must be regulated by circumstances relative to every particular place.

III. The third and last thing to be known, is the value of the materials, that is, the first matter employed by the workman; and if the object of his industry be the manufacture of another, the same process of inquiry must be gone through with regard to the first, as with regard to the second: and thus the most complex manufactures may be at last reduced to the greatest simplicity.

These three articles being known, the price of manufacture is determined. It cannot be lower than the amount of all the three, that is, than the real value; whatever it is higher, is the manufacturer's profit. This will ever be in proportion to demand, and therefore will fluctuate according to circumstances.

Hence appears the necessity of a great demand, in order to promote flourishing manufactures.

By the extensive dealings of merchants, and their constant application to the study of the balance of work and demand, all the above circumstances are known to them, and are made known to the industrious, who regulate their living and expence according to their certain profit.

Employ a workman in a country where there is little trade or industry, he proportions his price always to the urgency of your want, or your capacity to pay; but seldom to his own labour. Employ another in a country of trade, he will not impose upon you, unless perhaps you be a stranger, which supposes your being ignorant of the value; but employ the same workman in a work not usual in the country, consequently not demanded, consequently not regulated as to the value, he will proportion his price as in the first supposition.

We may therefore conclude from what has been said, that in a country where trade has been established, manufactures must flourish, from the ready sale, the regula-

ted price of work, and the certain profit resulting from industry. Let us next inquire into the consequences of such a situation.

How foreign Trade opens to an industrious People, and the Consequences of it to the Merchants who set it on foot.

THE first consequence of the situation described in the preceding section is, that wants are easily supplied, for the adequate value of the thing wanted.

The next consequence is, the opening of foreign trade under its two denominations of passive and active. Strangers and people of distant countries, finding the difficulty of having their wants supplied at home, and the ease of having them supplied from this country, immediately have recourse to it. This is passive trade. The active is when merchants, who have executed this plan at home with success, begin to transport the labour of their countrymen into other regions, which either produce, or are capable of producing such articles of consumption, proper to be manufactured, as are most demanded at home; and consequently will meet with the readiest sale, and fetch the largest profits.

Here then is the opening of foreign trade, under its two denominations of active and passive.

What then are the consequences of this new commerce to our merchants, who have left their homes in quest of gain abroad?

The first is, that, arriving in any new country, they find themselves in the same situation, with regard to the inhabitants, as the workman in the country of no trade, with regard to those who employed him; that is, they proportion the price of their goods to the eagerness of acquiring, or the capacity of paying, in the inhabitants, but never to their real value.

The first profits then, upon this trade, must be very considerable; and the demand from such a country will be *high or low, great or small*, according to the spirit, not the real wants of the people: for these in all countries must first be supplied by the inhabitants themselves, before they cease to labour.

If the people of this not-trading country be abundantly furnished with commodities useful to the traders, they will easily part with them, at first, for the instruments of luxury and ease; but the great profit of the traders will insensibly increase the demand for the productions of their new correspondents; this will have the effect of producing a competition between themselves, and thereby of throwing the demand on their side. This is perpetually a disadvantage in traffic: the most unpolished nations in the world quickly perceive the effects of it; and are taught to profit by the discovery, in spite of the address of those who are the most expert in commerce.

The traders will therefore be very fond of falling upon every method and contrivance to inspire this people with a taste of refinement and delicacy. Abundance of fine presents, consisting of every instrument of luxury and superfluity, the best adapted to the genius of the people, will be given to the prince and leading men among them. Workmen will even be employed at home to study the

taste of the strangers, and to captivate their desires by every possible means. The more eager they are of presents, the more lavish the traders will be in bestowing and diversifying them. It is an animal put up to fatten, the more he eats the sooner he is fit for slaughter. When their taste for superfluity is fully formed, when the relish for their former simplicity is sophisticated, poisoned, and obliterated, then they are surely in the fetters of the traders, and the deeper they go, the less possibility there is of their getting out. The presents then will die away, having served their purpose; and if afterwards they are found to be continued, it will probably be to support the competition against other nations, who will incline to share of the profits.

If, on the contrary, this not-trading nation does not abound with commodities useful to the traders, these will make little account of trading with them, whatever their turn may be; but, if we suppose this country inhabited by a laborious people, who, having taken a taste for refinement from the traders, apply themselves to agriculture, in order to produce articles of subsistence, they will solicit the merchants to give them part of their manufactures in exchange for those; and this trade will undoubtedly have the effect of multiplying numbers in the trading nation. But if food cannot be furnished, nor any other branch of production found out to support the correspondence, the taste for refinement will soon die away, and trade will stop in this quarter.

Had it not been for the furs in those countries adjacent to Hudson's Bay, and in Canada, the Europeans never would have thought of supplying instruments of luxury to those nations; and if the inhabitants of those regions had not taken a taste for the instruments of luxury, furnished to them by the Europeans, they never would have become so indefatigable nor so dextrous hunters. At the same time we are not to suppose, that ever these Americans would have come to Europe in quest of our manufactures. It is therefore owing to our merchants, that these nations are become in any degree fond of refinement; and this taste, in all probability, will not soon exceed the proportion of the productions of their country. From these beginnings of foreign trade it is easy to trace its increase.

One step towards this, is the establishing correspondences in foreign countries; and these are more or less necessary in proportion as the country where they are established is more or less polished or acquainted with trade. They supply the want of posts, and point out to the merchants what proportion the productions of the country bear to the demand of the inhabitants for manufactures. This communicates an idea of commerce to the not-trading nation, and they insensibly begin to fix a determined value upon their own productions, which perhaps bore no determined value at all before.

Let us trace a little the progress of this refinement in the savages, in order to shew how it has the effect of throwing the demand upon the traders, and of creating a competition among them, for the productions of the new country.

Experience shews, that, in a new discovered country, merchants constantly find some article or other of its pro-

ductions, which turns out to a great account in commerce; and we see that the longer such a trade subsists, and the more the inhabitants take a taste for European manufactures, the more their own productions rise in their value, and the less profit is made by trading with them, even in cases where the trade is carried on by companies; which is a very wise institution for one reason, that it cuts off a competition between our merchants.

This is the best means of keeping prices low in favour of the nation; however it may work a contrary effect with respect to individuals who must buy from these monopolies.

When companies are not established, and when trade is open, our merchants, by their eagerness to profit by the new trade, betray the secrets of it, they enter into competition for the purchase of the foreign produce, and this raises prices, and favours the commerce of the most ignorant savages.

Consequences of the Introduction of a passive foreign Trade among a People who live in Simplicity and Idleness.

WE now suppose the arrival of traders, all in one interest, with instruments of luxury and refinement, at a port in a country of great simplicity of manners, abundantly provided by nature with great advantages for commerce, and peopled by a nation capable of adopting a taste for superfluities.

The first thing the merchants do is, to expose their goods, and point out the advantages of many things, either agreeable or useful to mankind in general, such as wines, spirits, instruments of agriculture, arms, and ammunition for hunting, nets for fishing, manufactures for clothing, and the like. The advantages of these are presently perceived, and such commodities are eagerly sought after.

The natives on their side produce what they most esteem, generally something superfluous or ornamental. The traders, after examining all circumstances, determine the object of their demand, giving the least quantity possible in return for this superfluity, in order to impress the inhabitants with a high notion of the value of their own commodities; but as this parsimony may do more hurt than good to their interest, they are very generous in making presents, from the principles mentioned above.

When the exchange is completed, and the traders depart, regret is commonly mutual; the one and the other are sorry that the superfluities of the country fall short. A return is promised by the traders, and assurances are given by the natives of a better provision another time.

What are the first consequences of this revolution?

It is evident, that, in order to supply an equivalent for this new want, more hands must be set to work than formerly. And it is evident also, that this augmentation of industry will not essentially increase numbers: Why? Because the produce of the industry is, in this case, intended to be exported. But, if we can find out any additional consumption at home, even implied by this

this new trade, it will have the effect of augmenting numbers. An example will make this plain.

Let us suppose the superfluity of this country to be the skins of wild beasts, not proper for food; the manufacture sought for, brandy. The brandy is sold for furs. He who has furs, or he who can spare time to hunt for them, will drink brandy in proportion: but there is no reason to conclude from this simple operation, that one man more in the country must necessarily be fed, or that any augmentation of agriculture must of consequence ensue from this new traffic.

But let us throw in a circumstance which may apply an additional consumption at home, and then examine the consequences.

A poor creature who has no equivalent to offer for food, who is miserable, and ready to perish for want of subsistence, goes a hunting, and kills a wolf; he comes to a farmer with the skin, and says, You are well fed, but you have no brandy; if you will give me a loaf, I will give you this skin, which the strangers are so fond of, and they will give you brandy. But, says the farmer, I have no more bread than what is sufficient for my own family. As for that, replies the other, I will come and dig in your ground, and you and I will settle our account as to the small quantity I desire of you. The bargain is made; the poor fellow gets his loaf, and lives at least; perhaps he marries, and the farmer gets a dram. But had it not been for this dram, that is, this new want, which was purchased by the industry of this poor fellow, by what argument could he have induced the farmer to part with a loaf?

Here the sentiment of charity is excluded. This alone is a principle of multiplication; but as true it is, on the other hand, that could the poor fellow have got bread by begging, he would not probably have gone a hunting.

Here then it appears, that the very dawning of trade, in the most unpolished countries, implies a multiplication. This is enough to point out the first step, and to connect the subject of our present inquiries with what has been already discussed in relation to other circumstances.

So soon as all the furs are disposed of, and a taste for superfluity is introduced, both the traders and the natives will be equally interested in the advancement of industry in this country. Many new objects of profit for the first will be discovered, which the proper employment of the inhabitants, in reaping the natural advantages of their soil and climate, will make effectual. The traders will therefore endeavour to set on foot many branches of industry among the savages, and the allurements of brandy, arms, and clothing, will animate these in the pursuit of them.

When once this revolution is brought about; when those who formerly lived in simplicity become industrious; manners put on a new face.

That is to say, we now find two trading nations instead of one, with this difference, however, that as hitherto we have supposed the merchants all in one interest, the compound demand, that is, the competition of the buyers, has been, and must still continue on the side of

the natives. This is a great prejudice to their interest; but as it is not supposed sufficient to check their industry, nor to restrain their consumption of the manufactures, let us here examine a little more particularly the consequences of the principle of demand in such a situation; for although we allow, that it can never change sides, yet it may admit of different modifications, and produce different effects, as we shall presently perceive.

The merchants we suppose all in one interest, consequently there can be no competition among them; consequently no check can be put upon their raising their prices, as long as the prices they demand are complied with. So soon as they are raised to the full extent of the abilities of the natives, or of their inclination to buy, the merchants have the choice of three things, which are all perfectly in their option; and the preference to be given to the one or the other, depends entirely upon themselves, and upon the circumstances we are going to point out.

First, they may support the *high* demand; that is, not lower their price; which will preserve a high estimation of the manufactures in the opinion of the inhabitants, and render the profits upon their trade the greatest possible. This part they may possibly take, if they perceive the natives doubling their diligence, in order to become able, in time, to purchase considerable cargoes at a high value; from which supposition is implied a strong disposition in the people to become luxurious, since nothing but want of ability prevents them from complying with the highest demand: but still another circumstance must concur, to engage the merchants not to lower their price. The great proportion of the goods they seek for in return, must be found in the hands of a few. This will be the case if slavery be established; for then there must be many poor, and few rich; and they are commonly the rich consumers who proportion the price they offer, rather to their desires, than to the value of the thing.

The second thing which may be done is, to open the door to a *great* demand; that is, to lower their prices. This will sink the value of the manufactures in the opinion of the inhabitants, and render profits less in proportion, although indeed, upon the voyage, the profits may be greater.

This part they will take, if they perceive the inhabitants do not incline to consume great quantities of the merchandize at a high value, either for want of abilities or inclination; and also, if the profits upon the trade depend upon a large consumption, as is the case in merchandize of a low value, and suited chiefly to the occasions of the lower sort. Such motives of expediency will be sufficient to make them neglect a *high* demand, and prefer a *great* one; and the more, when there is a likelihood that the consumption of low-priced goods in the beginning may beget a taste for others of a higher value, and thus extend in general the taste of superfluity.

A third part to be taken, is the least politic, and perhaps the most familiar. It is to profit by the competition between the buyers, and encourage the rising of demand as long as possible; when this comes to a stop, to make a kind of auction, by first bringing down the prices

to the level of the highest bidders, and so to descend by degrees, in proportion as demand sinks. Thus we may say with propriety, that demand commonly becomes *great*, in proportion as prices sink. By this operation, the traders will profit as much as possible, and sell off as much of their goods as the profits will permit.

But this plan, in a new discovered country, is not politic, as it both discovers a covetousness and a want of faith in the merchants, and also throws open the secrets of their trade to those who ought to be kept ignorant of them.

Let us next suppose, that the large profits of our merchants shall be discovered by others, who arrive at the same ports in a separate interest, and who enter into no combination which might prevent the natural effects of competition.

Let the state of demand among the natives be supposed the same as formerly, both as to *height* and *greatness*, in consequence of the operation of the different principles, which might have induced our merchants to follow one or other of the plans we have been describing; we must however still suppose, that they have been careful to preserve considerable profits upon every branch.

If we suppose the inhabitants to have increased in numbers, wealth, and taste for superfluity, since the last voyage, demand will be found rather on the rising hand. Upon the arrival of the merchants in competition with the former, both will offer to sale: but if both stand to the same prices, it is very natural to suppose, that the former dealers will obtain a preference; as, *ceteris paribus*, it is always an advantage to know and to be known. The last comers, therefore, have no other way left to counter-balance this advantage, but to lower their prices.

This is a new phenomenon: here the fall of prices is not voluntary as formerly; nor consented to from expediency; not owing to a failure of demand, but to the influence of a new principle of commerce, to wit, a double competition, which we shall now examine.

Of Double Competition.

When *competition* is much stronger on one side of the contract than on the other, it is called *simple*. This is the species of competition which is implied in the term *high demand*, or when it is said that *demand raises prices*.

Double competition is, when, in a certain degree, it takes place on both sides of the contract at once, or vibrates alternately from one to the other. This is what restrains prices to the adequate value of merchandize.

The great difficulty is to distinguish clearly between the principles of *demand*, and those of *competition*: here then follows the principal differences between the two, relatively to the effects they produce severally in the mercantile contract of buying and selling, which we here express shortly by the word *contract*.

Simple demand is what brings the quantity of a commodity to market. Many demand, who do not buy; many offer, who do not sell. This demand is called *great* or *small*; it is said to *increase*, to *augment*, to

swell; and is expressed by these and other synonymous terms, which mark an augmentation or diminution of quantity. In this species, two people never demand the same thing, but a part of the same thing, or things quite alike.

Compound demand is the principle which raises prices, and never can make them sink; because in this case more than one demands the very same thing. It is solely applicable to the buyers, in relation to the price they offer. This demand is called *high* or *low*, and is said to *rise*, to *fall*, to *mount*, to *sink*, and is expressed by these and other synonymous terms.

Simple competition, when between buyers, is the same as *compound* or *high demand*; but differs from it in so far, as this may equally take place among sellers, which *compound demand* cannot; and then it works a contrary effect: it makes prices *sink*, and is synonymous with *low demand*: it is this competition which overturns the balance of work and demand.

Double competition is what is understood to take place in almost every operation of trade; it is this which prevents their excessive rise of prices; it is this which prevents their excessive fall. While *double competition* prevails, the balance is perfect, trade and industry flourish.

The capital distinction, therefore, between the terms *demand* and *competition* is, that *demand* is constantly relative to the buyers; and when money is not the price, as in barter, then it is relative to that side upon which the greatest *competition* is found.

We therefore say, with regard to *prices*, demand is *high* or *low*. With regard to the *quantity of merchandize*, demand is *great* or *small*. With regard to *competition*, it is always called *great* or *small*, *strong* or *weak*.

Competition is, with equal propriety, applicable to both parties in the contract. A *competition* among buyers is a proper expression; a *competition* among sellers, who have the merchandize, is fully as easily understood, tho' it be not quite so striking, for reasons which an example will make plain.

You come to a fair, where you find a great variety of every kind of merchandize, in the possession of different merchants. These, by offering their goods to sale, constitute a tacit competition; every one of them wishes to sell in preference to another, and at the same time with the best advantage to himself.

The buyers begin, by cheapening at every shop. The first price asked marks the covetousness of the seller; the first price offered, the avarice of the buyer. From this operation competition begins to work its effects on both sides, and so becomes double. The principles which influence this operation are now to be deduced.

It is impossible to suppose the same degree of eagerness, either to buy or to sell, among several merchants; because the degree of eagerness is exactly in proportion to their view of profit; and as these must necessarily be influenced and regulated by different circumstances, that buyer, who has the best prospect of selling again with profit, obliges him, whose prospect is not so good, to content himself with less; and that seller, who has bought to the best advantage, obliges him, who has paid
dearer

dearer for the merchandize, to moderate his desire of gain.

It is from these principles, that competition among buyers and sellers must take place. This is what confines the fluctuation of prices within limits which are compatible with the reasonable profits of both buyers and sellers; for we must constantly suppose the whole operation of buying and selling to be performed by merchants; the buyer cannot be supposed to give to high a price as that which he expects to receive, when he distributes to the consumers, nor can the seller be supposed to accept of a lower than that which he paid to the manufacturer. This competition is properly called double, because of the difficulty to determine upon which side it stands; the same merchant may have it in his favour upon certain articles, and against him upon others; it is continually in vibration, and the arrival of every post may less or more pull down the heavy scale.

In every transaction between merchants, the profit resulting from the sale must be exactly distinguished from the value of the merchandize. The first *may* vary, the last *never can*. It is this profit alone which can be influenced by competition; and it is for that reason we find such uniformity every where in the prices of goods of the same quality.

The competition between sellers does not appear so striking, as that between buyers; because he who offers to sale, appears only passive in the first operation; whereas the buyers present themselves one after another; they make a demand when the merchandize is refused to one at a certain price, a second either offers more, or does not offer all: but so soon as another seller finds his account in accepting the price the first had refused, then the first enters into competition, providing his profits will admit his lowering the first price, and thus competition takes place among the sellers, until the profits upon their trade prevent prices from falling lower.

In all markets this competition is varying, though insensibly, on many occasions; but in others, the vibrations are very perceptible. Sometimes it is found strongest on the side of the buyers; and in proportion as this grows, the competition between the sellers diminishes. When the competition between the former has raised prices to a certain standard, it comes to a stop; then the competition changes sides, and takes place among the sellers, eager to profit of the highest price. This makes prices fall, and according as they fall, the competition among the buyers diminishes. They still wait for the lowest period. At last it comes; and then perhaps some new circumstance, by giving the balance a kick, disappoints their hopes. If therefore it ever happens, that there is but one interest upon one side of the contract, as in the example in the former section, where we supposed the sellers united, you perceive, that the rise of the price, occasioned by the competition of the buyers, and even its coming to a stop, could not possibly have the effect of producing any competition on the other side; and therefore, if prices come afterwards to sink, the fall must have proceeded from the prudential considera-

tions of adapting the price to the faculties of those who, from the height of it, had withdrawn their demand.

From these principles of competition, the forestalling of markets is made a crime, because it diminishes the competition which ought to take place between different people, who have the same merchandize to offer to sale. The forestaller buys all up, with an intention to sell with more profit, as he has by that means taken other competitors out of the way, and appears with a single interest on one side of the contract, in the face of many competitors on the other. This person is punished by the state, because he has prevented the price of the merchandice from becoming justly proportioned to the real value; he has robbed the public, and enriched himself; and in the punishment he makes restitution. Here occur two questions to be resolved, for the sake of illustration.

Can competition among buyers possibly take place, when the provision made is more than sufficient to supply the quantity demanded? On the other hand, can competition take place among the sellers, when the quantity demanded exceeds the total provision made for it?

We think it may in both cases; because in the one and the other, there is a competition implied on one side of the contract, and the very nature of this competition implies a possibility of its coming on the other, provided separate interests be found upon both sides. But to be more particular:

1. Experience shews, that however justly the proportion between the demand and the supply may be determined in fact, it is still next to impossible to discover it exactly, and therefore the buyers can only regulate the prices they offer, by what they may reasonably expect to sell for again. The sellers, on the other hand, can only regulate the prices they expect, by what the merchandize has cost them when brought to market. We have already shewn, how, under such circumstances, the several interests of individuals affect each other, and make the balance vibrate.

2. The proportion between the supply and the demand is seldom other than *relative* among merchants, who are supposed to buy and sell, not from necessity, but from a view to profit. What we mean by *relative* is, that their demand is *great* or *small*, according to prices; there may be a great demand for grain at 35 s. *per* quarter, and no demand at all for it at 40 s.; that is, among merchants.

It is essential to attend to the smallest circumstance in matters of this kind. The circumstance we mean, is the difference we find in the effect of competition, when it takes place purely among merchants on both sides of the contract, and when it happens, that either the consumers mingle themselves with the merchant buyers, or the manufacturers, that is, the furnishers, mingle themselves with the merchant-sellers. This combination we shall illustrate, by the solution of another question, and then conclude with a few reflections upon the whole.

Can there be no case formed, where the competition upon one side may subsist, without a possibility of its tak-

king place on the other, although there should be separate interests upon both?

The case is hardly supposable among merchants, who buy and sell with a view to profit; but it is absolutely supposable, and that is all, when the direct consumers are the buyers; when the circumstances of one of the parties is perfectly known; and when the competition is so strong upon one side, as to prevent a possibility of its becoming double, before the whole provision is sold off, or the demand satisfied. Let us have recourse to examples.

Grain arriving in a small quantity, at a port where the inhabitants are starving, produces so great a competition among the consumers, who are the buyers, that their necessity becomes evident; all the grain is generally bought up before prices can rise so high as to come to a stop; because nothing but want of money, that is, an impossibility of complying with the prices demanded by the merchants, can restrain them: but if you suppose, even here, that prices come naturally to a stop; or that, after some time, they fall lower, from prudential considerations; then there is a possibility of a competition taking place among the sellers, from the principles above deduced. If, on the contrary, the stop is not natural, but occasioned by the interposition of the magistrate, from humanity, or the like, there will be no competition, because then the principles of commerce are suspended; the sellers are restrained on one side, and they restrain the buyers on the other. Or rather, indeed, it is the magistrate, or compassion, who in a manner fixes the price, and performs the office of both buyer and seller.

A better example still may be found, in a competition among sellers; where it may be so strong, as to render a commodity in a manner of no value at all, as in the case of an uncommon and unexpected draught of fish, in a place of small consumption, when no preparations have been made for salting them. There can be then no competition among the buyers; because the market cannot last, and they find themselves entirely masters, to give what price they please, being sure the sellers must accept of it, or lose their merchandize. In the first example, humanity commonly stops the activity of the principle of competition; in the other it is stopt by a certain degree of fair dealing, which forbids the accepting of a merchandize for nothing.

In proportion therefore as the rising of prices can stop demand, or the sinking of prices can increase it, in the same proportion will competition prevent either the rise or the fall from being carried beyond a certain length: and if such a case can be put, where the rising of prices cannot stop demand, nor the lowering of prices augment it, in such cases double competition has no effect; because these circumstances unite the most separate interests of buyers and sellers in the mercantile contract; and when upon one side there is no separate interest, there can then be no competition.

From what has been said, we may form a judgment of the various degrees of competition. A book not worth a shilling, a fish of a few pounds weight, are often sold for considerable sums. The buyers here are not merchants. When an ambassador leaves a court in a

hurry, things are sold for less than the half of their value: he is no merchant, and his situation is known. When, at a public market, there are found consumers, who make their provision; or manufacturers, who dispose of their goods for present subsistence; the merchants, who are respectively upon the opposite side of the contract to these, profit of their competition; and those who are respectively upon the same side with them, stand by with patience, until they have finished their business. Then matters come to be carried on between merchant and merchant, and then profits may rise and fall, in the proportion of quantity to demand; that is to say, if the provision is less than the demand, the competition among the demanders, or the rise of the price, will be in the compound proportion of the falling short of the commodity, and of the prospect of selling again with profit. It is this combination which regulates the competition, and keeps it within bounds. It can affect but the profits upon the transaction; the intrinsic value of the commodity stands immovable: nothing is ever sold below the real value; nothing is ever bought for more than it may probably bring. We mean in general. Whereas, so soon as consumers and needy manufacturers mingle in the operation, all proportion is lost. The competition between them is too strong for the merchants; the balance vibrates by jerks. In such markets merchants seldom appear: the principal objects there, are the fruits and productions of the earth, and articles of the first necessity for life, not manufactures strictly so called. A poor fellow often sells, to purchase bread to eat; not to pay what he did eat while he was employed in the work he disposes of. The consumer often measures the value of what he is about to purchase, by the weight of his purse, and his desire to consume.

Of what is called Expence, Profit, and Loss.

THE term *expence*, when simply expressed, without any particular relation, is always understood to be relative to money. This kind is distinguished under the three heads of *private*, *public*, and *national*.

1. *Private expence* is, what a private person, or private society, lays out, either to provide articles of consumption, or something more permanent, which may be conducive to their ease, convenience, or advantage. Thus we say, a *large domestic expence*, relative to one who spends a great income. We say, a merchant has been at *great expence* for magazines, for living, for clerks, &c. but never that he has been at any in buying goods. In the same way a manufacturer may expend for building, machines, houses, and carriages, but never for the matter he manufactures. When a thing is bought, in order to be sold again, the sum employed is called money *advanced*; when it is bought not to be sold, it may be said to be *expended*.

2. *Public expence* is, the employment of that money, which has been contributed by individuals, for the current service of the state. The contribution, or gathering it together, represents the effects of many articles of *private expence*; the laying it out when collected, is *public expence*.

3. *National*

3. *National expence*, is what is expended out of the country: this is what diminishes national wealth. The principal distinction to be here attended to, is between *public expence*, or the laying out of public money, and *national expence*, which is the alienating the nation's wealth in favour of strangers. Thus the greatest *public expence* imaginable, may be no national expence; because the money may remain at home. On the other hand, the smallest *public*, or even *private expence*, may be a national expence; because the money may go abroad.

Profit and loss is divided into *positive, relative, and compound*. *Positive profit*, implies no loss to any body; it results from an augmentation of labour, industry, or ingenuity, and has the effect of swelling or augmenting the public good.

Positive loss, implies no profit to any body; it is what results from the cessation of the former, or of the effects resulting from it, and may be said to diminish the public good.

Relative profit, is what implies a loss to some body; it marks a vibration of the balance of wealth between parties, but implies no addition to the general stock.

Relative loss, is what, on the contrary, implies a profit to some body; it also marks a vibration of the balance, but takes nothing from the general stock.

The *compound* is easily understood; it is that species of profit and loss which is partly *relative*, and partly *positive*.

The general Consequences resulting to a trading Nation, upon the opening of an active foreign Commerce.

A NATION which remains passive in her commerce, is at the mercy of those who are active, and must be greatly favoured, indeed, by natural advantages, or by a constant flux of gold and silver from her mines, to be able to support a correspondence, not entirely hurtful to the augmentation of her wealth.

When we look upon the wide field which here opens to our view, we are perplexed with too great a variety of objects. In one part, we see a decent and comely beginning of industry; wealth flowing gently in, to recompense ingenuity; numbers both augmenting, and every one becoming daily more useful to another; agriculture proportionally extending itself; no violent revolutions; no exorbitant profits; no insolence among the rich; no excessive misery among the poor; multitudes employed in producing; great oeconomy upon consumption; and all the instruments of luxury, daily produced by the hands of the diligent, going out of the country for the service of strangers; not remaining at home for the gratification of sensuality. At last the augmentations come insensibly to a stop. Then these rivers of wealth, which were in brisk circulation through the whole world, and which returned to this trading nation as blood returns to the heart, only to be thrown out again by new pulsations, begin to be obstructed in their course; and flowing abroad more slowly than before, come to form stagnations at home. These, impatient of restraint, soon burst out into domestic circulation. Upon this cities swell in magni-

ficence of buildings; the face of the country is adorned with palaces, and becomes covered with groves; luxury shines triumphant in every part; inequality becomes more striking to the eye; and want and misery appear more deformed, from the contrast: even fortune grows more whimsical in her inconstancy; the beggar of the other day, now rides in his coach; and he who was born in a bed of state, is seen to die in a goal, or in an almshouse. Such are the effects of great domestic circulation.

The statesman looks about with amazement; he, who was wont to consider himself as the first man in the society in every respect, perceives himself, perhaps, eclipsed by the lustre of private wealth, which avoids his grasp when he attempts to seize it. This makes his government more complex and more difficult to be carried on; he must now avail himself of art and address, as well as of power and force. By the help of cajoling and intrigues, he gets a little into debt; this lays a foundation for public credit, which, growing by degrees, and in its progress assuming many new forms, becomes, from the most tender beginnings, a most formidable monster, striking terror into those who cherished it in its infancy. Upon this, as upon a triumphant war-horse, the statesman gets a-stride; he then appears formidable a-new; his head turns giddy; he is choaked with the dust he has raised; and at the moment he is ready to fall, to his utter astonishment and surprize, he finds a strong monied interest, of his own creating, which, instead of swallowing him up as he apprehended, flies to his support. Through this he gets the better of all opposition, he establishes taxes, multiplies them, mortgages his fund of subsistence; either becomes a bankrupt, and rises again from his ashes; or if he be less audacious, he stands trembling and tottering for a while on the brink of the political precipice. From one or the other of these perilous situations, he begins to discover an endless path, which, after a multitude of windings, still returns into itself, and continues an equal course through this vast labyrinth.

It is now full time to leave off rhapsody, and return to reasoning and cool inquiry, concerning the more immediate and more general effects and revolutions produced by the opening of a foreign trade in a nation of industry.

The first and most sensible alteration will be an increase of demand for manufacturers, because by supplying the wants of strangers, the number of consumers will now be considerably augmented. What again will follow upon this, must depend upon circumstances.

If this revolution in the state of demand should prove too violent, the consequence of it will be to raise demand; if it should prove gradual, it will increase it. This distinction is well understood, and the consequence appears just: for, if the supply do not increase in proportion to the demand, a competition will ensue among the demanders; which is the common effect of such sudden revolutions. If, on the other hand, a gentle increase of demand should be accompanied with a proportional supply, the whole industrious society will grow in vigour, and in wholesome stature, without being sensible

of any great advantage or inconvenience; the change of their circumstances will even be imperceptible.

The immediate effects of the violent revolution will, in this example, be flattering to some, and disagreeable to others. Wealth will be found daily to augment, from the rising of prices, in many branches of industry. This will encourage the industrious classes, and the idle consumers at home will complain. We have already dwelt abundantly long upon the effects resulting from this to the lower classes of the people, in providing them with a certain means of subsistence. Let us now examine in what respect even the higher classes will be made likewise to feel the good effects of this general change, although at first they may suffer a temporary inconvenience from it.

Farmers, as has been observed, will have a greater difficulty in finding servants, who, instead of labouring the ground, will chuse to turn themselves to manufactures. This we have considered in the light of purging the lands of superfluous mouths; but every consequence in this great chain of politics draws other consequences after it, and as they follow one another, things put on different faces, which affect classes differently. The purging of the land is but one of the first; here follows another.

The desertion of the lands employed in a triling agriculture will at first, no doubt, embarrass the farmers; but in a little time every thing becomes balanced in a trading nation, because *here every industrious man must advance in prosperity, in spite of all general combinations of circumstances.*

In the case before us, the relative profits upon farming must soon become greater than formerly, because of this additional expence which must affect the whole class of farmers; consequently, this additional expence, instead of turning out to be a loss to either landlord or farmer, will, after some little time, turn out to the advantage of both: because the produce of the ground, being indispensably necessary to every body, must in every article increase in its value. Thus in a short time accounts will be nearly balanced on all hands; that is to say, the same proportion of wealth will, *ceteris paribus*, continue the same among the industrious. We say among the industrious; for those who are either idle, or even negligent, will be great losers.

A proprietor of land, inattentive to the causes of his farmer's additional expence, may very imprudently suffer his rents to fall, instead of assisting him on a proper occasion, in order to make them afterwards rise the higher.

Those who live upon a determined income in money, and who are nowise employed in traffic, nor in any scheme of industry, will, by the augmentation of prices, be found in worse circumstances than before.

In a trading nation every man must turn his talents to account, or he will undoubtedly be left behind in this universal emulation, in which the most industrious, the most ingenious, and the most frugal will constantly carry off the prize.

This consideration ought to be a spur to every body. The richest men in a trading nation have no security against poverty; we mean proportional poverty; for though

they diminish nothing of their income, yet, by not increasing it in proportion to others, they lose their rank in wealth, and from the first class in which they stood they will slide insensibly down to a lower.

There is one consequence of an additional beneficial trade, which raises demand and increases wealth; but if we suppose no proportional augmentation of supply, it will prove at best but an airy dream which lasts for a moment, and when the gilded scene is passed away, numberless are the inconveniences which are seen to follow.

We shall now point out the natural consequences of this augmentation of wealth drawn from foreign nations, when the statesman remains inattentive to increase the supply both of food and manufactures, in proportion to the augmentation of mouths, and of the demand for the produce of industry.

In such a situation profits will daily swell, and every scheme for reducing them within the bounds of moderation, will be looked upon as a hurtful and unpopular measure: be it so; but let us examine the consequences.

We have said, that the rise of demand for manufactures naturally increases the value of work: now we must add, that under such circumstances, the augmentation of riches, *in a country, either not capable of improvement as to the soil, or where precautions have not been taken for facilitating a multiplication of inhabitants, by the importation of subsistence*, will be productive of the most calamitous consequences.

On one side, this wealth will effectually diminish the mass of the food before produced; and on the other, will increase the number of useless consumers. The first of these circumstances will raise the demand for food; and the second will diminish the number of useful free hands, and consequently raise the price of manufactures: here are shortly the outlines of this progress.

The more rich and luxurious a people are, the more delicate they become in their manner of living; if they fed on bread formerly, they will now feed on meat; if they fed on meat, they will now feed on fowl. The same ground which feeds a hundred with bread, and a proportional quantity of animal food, will not maintain an equal number of delicate livers. Food must then become more scarce; demand for it rises; the rich are always the strongest in the market; they consume the food, and the poor are forced to starve. Here the wide door to modern distress opens; to wit, a hurtful competition for subsistence. Farther, when a people become rich, they think less of œconomy; a number of useless servants are hired, to become an additional dead weight on consumption; and when their starving countrymen cannot supply the extravagance of the rich so cheaply as other nations, they either import instruments of foreign luxury, or seek to enjoy them out of their own country, and thereby make restitution of their gains.

Is it not therefore evident, that if, before things come to this pass, additional subsistence be not provided by one method or other, the number of inhabitants must diminish; although riches may daily increase by a balance of additional matter, supposed to be brought into the country

in consequence of the hitherto beneficial foreign trade. This is not all. We say farther, that the beneficial trade will last for a time only. For the infallible consequence of the rise of prices at home will be, that those nations which at first consumed your manufactures, perceiving the gradual increase of their price, will begin to work for themselves; or finding out your rivals who can supply them cheaper, will open their doors to them. These again, perceiving the great advantages gained by your traders, will begin to supply the market; and since every thing must be cheaper in countries where we do not suppose the concurrence of all the circumstances mentioned above, these nations will supplant you, and be enriched in their turn.

Here comes a new revolution. Trade is come to a stop: what then becomes of all the hands which were formerly employed in supplying the foreign demands?

Were revolutions so sudden as we are obliged to represent them, all would go to wreck; in proportion as they happen by quicker or slower degrees, the inconveniencies are greater or smaller.

Prices, we have said, are made to rise by competition. If the competition of the strangers was what raised them, the distress upon the manufacturers will be in proportion to the suddenness of their deserting the market. If the competition was divided between the strangers and the home consumers, the inconveniencies which ensue will be less; because the desertion of the strangers will be in some measure made up by an increase of home-consumption which will follow upon the fall of prices. And if, in the third case, the natives have been so imprudent, as not only to support a competition with the strangers, and thereby disgust them from coming any more to market, but even to continue the competition between themselves, the whole *loss* sustained by the revolution will be national. Wealth will cease to augment; but the inconveniencies, in place of being felt by the manufacturers, will only affect the state; those will continue in affluence, extolling the generosity of their countrymen, and despising the poverty of the strangers who had enriched them.

Domestic luxury will here prove an expedient for preserving from ruin the industrious part of a people, who in subsisting themselves had enriched their country. No change will follow in their condition; they will go on with a painful assiduity to labour, and if the consequences of it become now hurtful to one part of the state, they must at least be allowed to be essentially necessary for the support of the other.

But that luxury is no necessary concomitant of foreign trade, in a nation where the true principles of it are understood, will appear very plain, from a contrast we are now going to point out, in the example of a modern state, renowned for its commerce and frugality. The country is Holland.

A set of industrious and frugal people were assembled in a country by nature subject to many inconveniencies, the moving of which necessarily employed abundance of hands. Their situation upon the continent, the power of their former masters, and the ambition of their neighbours, obliged them to keep great bodies of troops.

These two articles added to the numbers of the community, without either enriching the state by their labour exported, or producing food for themselves or countrymen.

The scheme of a commonwealth was calculated to draw together the industrious; but it has been still more useful in subsisting them: the republican form of government being there greatly subdivided, vests authority sufficient in every part of it, to make suitable provision for their own subsistence; and the tie which unites them, regards only matters of public concern. Had the whole been governed by one sovereign, or by one council, this important matter never could have been effectuated.

It would be impossible for the most able minister that ever lived, to provide nourishment for a country so extended as France, or even as England, supposing these as fully peopled as Holland is: even although it should be admitted that a sufficient quantity of food might be found in other countries for their subsistence. The enterprise would be too great, abuses would multiply; the consequence would be, that the inhabitants would die for want. But in Holland the case is different, every little town takes care of its own inhabitants; and this care being the object of application and profit to so many persons, is accomplished with success.

When once it is laid down as a maxim in a country, that food must of necessity be got from abroad in order to feed the inhabitants at home, the corn-trade becomes considerable, and at the same time certain, regular, and permanent. This was the case in Holland: as the inhabitants were industrious, the necessary consequence has been, a very extraordinary multiplication; and at the same time such an abundance of grain, that, instead of being in want themselves, they often supply their neighbours. There are many examples of England's being supplied with grain from thence, and, which is still more extraordinary, from the re-exportation of the very produce of its own fruitful soil.

It is therefore evident, that the only way to support industry, is to provide a supply of subsistence, constantly proportional to the demand that may be made for it. This is a precaution indispensably necessary for preventing hurtful competition. This is the particular care of the Dutch: so long as it can be effectual, their state can fear no decline; but whenever they come to be distressed in the markets, upon which they depend for subsistence, they will sink into ruin. It is by mere dint of frugality, cheap and parsimonious living, that the navigation of this industrious people is supported. Constant employment, and an accumulation of almost imperceptible gains, fills their coffers with wealth, in spite of the large outgoings to which their own proper nourishment yearly forces them. The large profits upon industry in other countries, which are no proof of generosity, but a fatal effect of a scanty subsistence, is far from dazzling their eyes. They seldom are found in the list of competitors at any foreign port; if they have their cargo to dispose of, they wait with pleasure in their own vessels, consuming their own provisions, and at last accept of what others have left. It may be said, that many other circumstances concur in favour of the Dutch, besides the article of subsistence.

Without disputing this matter, it may be observed, that if a computation be made of the hands employed in providing subsistence, and of those who are severally taken up in supplying every other want, their numbers will be found nearly to balance one another in the most luxurious countries. From this we may conclude, that the article of food, among the lower classes, must bear a very high proportion to all the other articles of their consumption; and therefore a diminution upon the price of subsistence, must be of infinite consequence to manufacturers, who are obliged to buy it. From this consideration, let us judge of the consequence of such augmentations upon the price of grain as are familiar to us; 30 or 40 *per cent.* seems nothing. Now this augmentation operates upon two

thirds, at least, of the whole expence of a labouring man: let any one who lives in tolerable affluence make the application of this to himself, and examine how he would manage his affairs if, by accidents of rains or winds, his expences were to rise 30 *per cent.* without a possibility of restraining them; for this is unfortunately the case with all the lower classes. From whence it may be concluded, that the keeping food cheap, and still more the preserving it at all times at an equal standard, is the fountain of the wealth of Holland; and that any hurtful competition in this article must beget a disorder which will affect the whole of the manufacturers of a state.

C O M

COMMINATORY, an appellation given to whatever threatens punishment, or some penalty.

COMMINUTION, denotes the breaking, or rather grinding, a body to very small particles.

COMMISSARY, in the ecclesiastical law, an officer of the bishop, who exercises spiritual jurisdiction in places of a diocese so far from the episcopal see, that the chancellor cannot call the people to the bishop's principal consistory court, without giving them too much inconvenience.

COMMISSARY-court, in Scots law, a court originally constituted by the bishops for executing in their name an usurped jurisdiction, and was anciently called the *bishops court, curia Christianitatis, or consistorial court*. This court was new-modelled by Queen Mary at the Reformation, and continues till this day. See **SCOTS LAW**, title, *Ecclesiastical persons*.

COMMISSARY, in a military sense, is of three sorts.

COMMISSARY-general of the musters, an officer appointed to muster the army, as often as the general thinks proper, in order to know the strength of each regiment and company, to receive and inspect the muster-rolls, and to keep an exact state of the strength of the army.

COMMISSARY-general of stores, an officer in the artillery, who has the charge of all the stores, for which he is accountable to the office of ordnance.

COMMISSARY-general of provisions, an officer who has the inspection of the bread and provisions of the army.

COMMISSION, in common-law, the warrant or letters patent which all persons exercising jurisdiction have to empower them to hear or determine any cause or suit: as, the commission of the judges, &c.

COMMISSION of bankruptcy, is the commission that issues from the lord chancellor, on a person's becoming a bankrupt within any of the statutes, directed to certain commissioners appointed to examine into it, and to secure the bankrupt's lands and effects for the satisfaction of his creditors.

COMMISSION of lunacy issues out of the court of chancery, to inquire whether a person represented to be a lunatic be so or not.

COMMISSION, in commerce. See **FACTORAGE**.

COMMISSIONER, a person authorized by commission,

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letters-patent, or other lawful warrant, to examine any matters, or execute any public office, &c.

Besides those relating to judicial proceedings, there are

COMMISSIONERS of the customs. See **CUSTOMS**.

COMMISSIONERS of excise. See **EXCISE**.

COMMISSIONERS of the navy. See **NAVY**.

Lords COMMISSIONERS of the treasury. See **TREASURY** and **EXCHEQUER**.

COMMITTEE, one or more persons, to whom the consideration or ordering of a matter is referred, either by some court, or by the consent of parties, to whom it belongs.

COMMITTEE of parliament, a certain number of members appointed by the house, for the examination of a bill, making a report of an inquiry, process of the house, &c.

When a parliament is called, and the speaker and members have taken the oaths, there are committees appointed to sit on certain days, *viz.* the committee of privileges and elections, of religion, of trade, &c. which are standing committees.

Sometimes the whole house resolves itself into a committee; on which occasion each person has a right to speak and reply as often as he pleases, which is not the case when a house is not in a committee.

COMMIXTION, in Scots law, is a method of acquiring property, by mixing or blending together different substances belonging to different proprietors. If this commixtion was made without the consent of the different proprietors, and the materials cannot again be disjoined, it draws after it the property of the materials. See **SCOTS LAW**, title, *Division of rights*.

COMMEDIATE, in Scots law, is a gratuitous loan, wherein the property of the thing but continues with the lender, and only the use of it given to the borrower, who must restore the individual thing borrowed. See **SCOTS LAW**, title, *Obligations and contracts, in general*.

COMMODITY, in a general sense, denotes all sorts of wares and merchandizes whatsoever that a person deals or trades in.

Staple COMMODITIES, such wares and merchandizes as